



State of Utah

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June 23, 2006

Jean Sheil
Director, Family and Children's Program Group
Center for Medicare and Medicaid Services
7500 Security Boulevard
Mail Stop S2-01-16, attn: FCHPG
Baltimore, MD 21244-1850

Dear Ms. Sheil:

I am pleased to submit for your consideration and approval, our Health Insurance Flexibility and Accountability (HIFA) demonstration proposal. This HIFA demonstration is an amendment to the State's existing 1115 waiver, which includes our Primary Care Network (PCN) program. As proposed, this demonstration would initially provide health insurance coverage to 1,000 adults and an estimated 250 children by offering premium assistance to help them purchase their employer-sponsored health insurance.

This proposal reflects collaboration and input from many sources including a public hearing and various meetings with the CHIP Advisory Council and a PCN ad hoc advisory group. The PCN advisory group consisted of community advocates, PCN providers, Utah Department of Health staff, Utah State Legislators, health insurance underwriters, and other interested parties. We have also participated in a consultation process with the Native American tribes.

The primary objective of this demonstration is to pool government funding (state, Title XIX, and Title XXI) with personal and employer funding so that families and individuals can purchase health insurance through their employer. Through this demonstration:

Families and individuals will move towards the private health insurance market. Health coverage that had been provided under various programs with differing benefits for family members will be centralized under one plan.

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Some currently uninsured individuals with family members on PCN or the Children's Health Insurance Program (CHIP) will receive coverage as families purchase dependant or family coverage.
Former PCN clients that enroll in this demonstration will receive a more complete insurance package.

We look forward to your cooperation in the review and approval of this important demonstration.

Sincerely,

A handwritten signature in blue ink that reads "David N. Sundwall". The signature is fluid and cursive, with the first name "David" and last name "Sundwall" clearly legible.

David N. Sundwall, MD
Executive Director

Enclosure